

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF RATES OF)	
AUXIER ROAD GAS COMPANY)	CASE NO. 10288-BB

O R D E R

On April 10, 1991, in Case Nos. 10288-D and 10288-E, the Commission approved the gas cost adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the quarterly adjustment of its rates.

On August 29, 1997, Auxier filed its GCA to be effective October 1, 1997 to January 1, 1998.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Auxier's notice proposed revised rates designed to pass on to its customers the expected increased gas costs from its suppliers. Auxier's proposed EGC for the quarter beginning October 1, 1997 is \$3.1720 per Mcf.
2. Auxier's notice set out no refund adjustment.
3. Auxier's notice set out a current quarter actual adjustment ("AA") of 2.0 cents per Mcf to collect under-recovered gas cost from April, May, and June 1997. The total AA of (49.10) cents per Mcf is designed to reflect the current under-collection, as well as over-recoveries from previous periods.

4. Auxier's notice set out a current quarter balance adjustment ("BA") of (.50) cent per Mcf. The total BA of 1.3 cents per Mcf includes reconciling BA adjustments from previous quarters.

5. These adjustments produce a gas cost recovery rate of \$2.6940 per Mcf, 52.22 cents per Mcf more than the prior rate.

6. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after October 1, 1997.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable and are approved effective for service rendered on and after October 1, 1997.

2. Within 30 days of the date of this Order, Auxier shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 1st day of October, 1997.

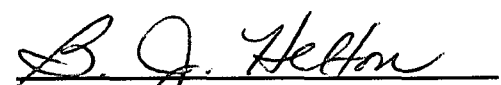
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10288-BB DATED OCTOBER 1, 1997

The following rates and charges are prescribed for the customers served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$5.11	\$2.6940	\$7.8040
All Over 1 Mcf Per Mcf	4.2599	2.6940	6.9539